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JONES DAY 222 EAST 41ST ST NEW YORK, NY 10017			DASS, HARISH T	
			ART UNIT	PAPER NUMBER
			3628	

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Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/092,279

Applicant(s)

BENT ET AL.

Examiner

Harish T Dass

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 30 January 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-57 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-57 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 31-44 and 57 remain rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter, particularly, an abstract idea.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-57 are rejected under 35 U.S.C. 103(a) as being unpatentable over Vitagliano et al (hereinafter Vitagliano – US 5,206,803) in view of Atkins (US 5,884,285) and Norris (US 6,105,007).

Re. Claims 1, 15, 30-31, and 45 Vitagliano discloses a data processing apparatus (system) and method for managing a plurality of accounts that can be accessed for credit tied to and in communication with an associated pension plan as an underlying source of capital [see entire document for all limitations, particularly, Abs], and a processor [Fig. 2 (200); C3 L52-L62], and a memory operatively coupled to the

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processor, the memory including program data for causing the processor to perform the steps of [210, fig 2; C3 L52-L62], and data representing the value of funds derived from the participant's benefit-plan assets and transferred from the benefit plan upon establishment of the loan fund, wherein the loan fund is managed by an investment manager and is recorded in the benefit-plan as an asset of the participant [see entire document particularly, Abs; Figure 1-3; C1 L55-L66; C2 L61-L64; C4 L25-L30; C5 L8 to C6 L10], (ii) accept funds into the loan fund from the participant in repayment of redemptions, and updating the stored loan-fund information with data representing fund transfers from and acceptances into the loan fund, whereby redemptions from and repayments to the participant's loan fund occur without access to the participant's benefit-plan assets [C3 L12-L41; C4 L43-L68; C5 L7 to C6 L18], updating the stored loan-fund information with data representing fund transfers from and acceptances into the loan fund, whereby redemptions from and repayments to the participant's loan fund occur without access to the participant's benefit-plan assets [C4 L61-L68, L6-L22] and computer readable medium (storage for account balances and plan instruction) [Fig. 2 item # 250; C3 L57-L58]. Vitagliano, explicitly, does not disclose initializing loan-fund information stored in a computer database upon establishment of a loan fund for the participant and fund transfer and computer database and program. However, Atkins discloses initializing loan-fund information stored in a computer database upon establishment of a loan fund for the participant, and database, and program [Abs; C9 L18-L46; C18 L51; C20 L11-L124; C25 L2-L35] to open an account. Further, Norris discloses electronic fund transfers to borrower and arranging for repayment [Abs; Fig. 1;

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C1 L22-L34; C2 L55-L67] to transfer fund from one account to another. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify disclose of Vitagliano and computer database and database account initialization, as taught by Norris and Atkins, to store client account information, amount of the loan, asset or liability and deposit/withdraw funds from source of funds to/from deposit account for future use and data retrieval.

Re. Claim 2, Vitagliano discloses acceptance into the loan fund and update the loan-fund information upon receipt of data from the investment manager computer system representing an accrual of interest into the loan fund [fig. 2; C1 L67 to C2 L24; C3 L52 to C4 L24; C5 L7 to C6 L18].

Re. Claim 3, Vitagliano discloses initialize (new account) the loan-fund information upon receipt of data from the benefit-plan computer system representing establishment of the loan-fund [C2 L50-L68; C3 L52 to C4 L24], and exchange status data with the benefit-plan computer system, wherein the computer system exchanges at least a representation of a current loan-fund balance, and wherein the benefit-plan computer system exchanges at least representation of limitations on the participant's redemptions [C2 L50-L68; C3 L22 to C4 L24; C4 L47-68].

Re. Claims 4-7, Vitagliano discloses wherein the program data further causes the processor to generate data representing a request to transfer funds from the loan fund

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upon receipt of data from the access-vehicle-settlement computer system representing a request for settlement for the participant's uses of the access vehicle [C1 L5-L11; C4 L47-L68], and equal to a line of credit (LOC) value; and generate data to the access-vehicle-settlement computer system representing a refusal of the proposed redemption only if the proposed redemption is greater than the LOC value [Fig. 3; C4 L25-L55], and wherein the LOC value does not exceed an available loan amount (ALA) value determined in accordance with statute, regulation [Fig. 3; C4 L25-L55], and receive data from the access-vehicle-settlement computer system representing at least one redemption by the participant made by a use of the access vehicle; and update data representing the LOC value in response to the received data by decreasing the LOC value by the total value of the redemptions [Fig. 3; C4 L25-L58].

Re. Claim 8, Vitagliano, explicitly, does not disclose a communication interface for exchanging data between the computer system and a computer system of a funds-acceptance provider, wherein the program data further causes the processor, upon receipt of data from the funds-acceptance-provider computer system representing the participant's payment of funds to the funds-acceptance provider, to generate data representing a request for acceptance of funds into the loan fund. However, Norris discloses this step [Fig. 1; C2 L36-L68; C12 L35-L57].

It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to combine discloses of Vitagliano and Norris to allow electronic

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fund transfer and arrange communication between the participants accounts and financial institutions provided service.

Re. Claim 52, Vitagliano discloses receive data from funds-acceptance-provider computer system (system) representing at least one payment by the participant [C3 L52-L68; C5 L7 to C6 L18], and update data representing the LOC value in response to the received data by increasing the LOC value by the value of the payment [Fig. 3; C4 L25-L58].

Re. Claim 9, Vitagliano discloses a credit card [C3 L32-L35].

Re. Claims 10-12, Vitagliano discloses wherein the program data further causes the processor to generate data representing loan-fund statement information and repayment [C3 L52-L68; C6 L10-L18], and wherein the required repayment amounts and times are determined in dependence on the total redemptions that have not yet been repaid and in accordance with policy (code) to preserve tax-advantaged treatment of the participant's redemptions [C3 L22-L52], and generated data is transmitted to the participant [Fig. 2 (220 & 270); C4 L44-L47]. Vitagliano, explicitly, does not disclose informing the participant of required repayment amounts and times and wherein the generated data is transmitted to the participant by means of the Internet network or a telephone network. However, informing the participant of required repayment amounts and times and transmitting account summary statement by Internet network (using

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modem and public telephone network system) are commonly will known to credit card holders particularly to those who subscribe to credit card electronic statements. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify disclose of Vitagliano and add generation of account statement which includes repayment amount, due time, and transmitting the account statement over Internet or telephone network (i.e., via email, download with modem, html format) to add this step to alert the borrower of payment due and reduce the paper mailed volume.

Re. Claims 13-14, Vitagliano, explicitly, does not disclose wherein the program data further causes the processor, upon receipt of data representing a participant request, to generate data representing loan-fund status for informing the participant of recent redemptions, and wherein the generated data is periodically transmitted as messages grouped into computer files. However, these steps are commonly will known to one skill in the art of financial institutions to add these steps to update the participants accounts at a particular time to save time and achieve cast reduction.

Re. Claims 16-18, and 24 Vitagliano discloses wherein the loan-fund information comprises data representing at least a loan-fund balance [C2 L50-L68; C3 L22 to C4 L24; C4 L47-68], and wherein loan-fund balance is updated in response to receipt of data from the investment-manager computer system representing funds transfer (transmit) from [fig. 2; C1 L67 to C2 L24; C3 L52 to C4 L24; C4 L47-L52; C5 L7 to C6

L18], and generating data for the benefit-plan computer system representing the current loan-fund balance for the benefit plan, and receiving data from the benefit-plan computer system representing the limitations on the participant's redemptions [[C2 L50-L68; C3 L52 to C4 L24; C4 L47-68], and wherein the loan-fund balance is further updated in response to receipt of data from the investment-manager computer system representing a repayment [fig. 2; C1 L67 to C2 L24; C3 L52 to C4 L24; C4 L47-L52; C5 L7 to C6 L18].

Re. Claim 19, Vitagliano, explicitly, does not disclose a step of generating data representing a request for acceptance of funds into the loan fund from a funds-acceptance provider in response to receipt of data representing the participant's repayment of funds to the funds-acceptance provider. However, Norris discloses this step [Fig. 1; C2 L36-L68; C12 L35-L57]. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to combine disclosures of Vitagliano and Norris to allow the financial institutions to accept (approve payment) and arrangement fund transfer between the participants accounts and financial institutions provided service

Re. Claims 20-23, Vitagliano discloses receiving data representing settlement requests from a settlement system that processes uses of the access vehicle, and wherein data representing requests to transfer funds from the loan fund to settle redemptions is generated in response to receipt of request data from the access-vehicle settlement

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system [Abs; C1 L5-L11; C4 L47-L68], and receiving data from the access-vehicle-settlement computer system representing at least one redemption by the participant made by a use of the access vehicle; and updating data representing an LOC value in response to the received data by decreasing the LOC value by the total value of the redemptions that have not been repaid [Fig. 3; C4 L25-L58], and receiving data from the access-vehicle-settlement system representing a proposed redemption to be made by a participant's proposed use of the access vehicle; generate data to the access-vehicle-settlement system representing an authorization of the proposed redemption only if the proposed redemption is less than line of credit (LOC) value; and generate data to the access-vehicle-settlement system representing a refusal (disapprove) of the proposed redemption only if the proposed redemption is greater than the LOC value [Fig. 3; C4 L25-L58]

Re. Claims 25-26, Vitagliano discloses step of generating data representing loan-fund statement information [C3 L52-L68; C6 L10-L18], and wherein the required repayment amounts and times are determined in dependence on the total redemptions that have not yet been repaid and in accordance with policy (code) to preserve tax-advantaged treatment of the participant's redemptions [Fig. 2 (220 & 270); C4 L44-L47]. Vitagliano, explicitly, does not disclose informing the participant of required repayment amounts and times. However, informing the participant of required repayment amounts and times are commonly will known to credit card holders who get credit card activity statement and payment vouchers. It would have been obvious to one of ordinary skill in the art at

the time the Applicant's invention was made to modify disclose of Vitagliano and add this step to alert the borrower of payment due to avoid extra charges and exceeding the limits.

Re. Claim 27, Vitagliano discloses a credit card [C3 L32-L35].

Re. Claim 28, Vitagliano, explicitly, does not disclose wherein the generated data is periodically transmitted as messages grouped into computer files. However, these steps are commonly will known to one skill in the art of financial institutions to update all of the accounts at a particular time to save time and achieve cast reduction.

Re. Claim 32, Vitagliano discloses wherein the step of establishing further comprises requesting the benefit plan to transfer funds to the loan fund [Abs; C1 L5].

Re. Claim 33, Vitagliano, disclose wherein the value of the funds transferred from the benefit plan is less than the value of participant's vested assets in the benefit plan [Abs; Figure 1-3; C1 L55-L66; C2 L61-L64; C4 L25-L30; C5 L8 to C6 L10].

Re. Claim 34, Vitagliano, disclose wherein the participant's benefit-plan assets further comprise a stock [C2 L49].

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Re. Claims 35-36, Vitagliano, disclose wherein the access vehicle includes a credit card [C3 L32-L35], and wherein the participant makes a plurality of redemptions from the loan fund by a plurality of uses of the access vehicle [C3 L32-L35].

Re. Claims 37-38, Vitagliano, disclose further comprising a step of authorizing a participant's proposed redemption from the loan fund only if the total of the proposed redemption and past redemptions that have not yet been repaid is equal to or less than an available line of credit (LOC) value determined for the participant [C4 L6-L68], and wherein the LOC value is equal to or less than an available loan amount (ALA) value which depends upon the value of the participant's vested assets in the benefit plan [Fig. 3; L6-L68].

Re. Claims 39-40, Vitagliano discloses updating the loan-fund balance by (i) increasing the balance upon receipt of funds transferred from the benefit plan and (ii) decreasing the balance upon transfer of funds for settlement of redemptions; and sending (transmit) periodically to the benefit plan of information representing the current loan-fund balance [C4 L6-L68].

Re. Claim 41, Vitagliano discloses wherein the loan-information is further updated when the investment manager accrues into the loan fund dividends earned on the loan fund or interest paid by the participant on redemptions from the loan fund [C2 L50-68].

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Re. Claims 41-43, Vitagliano discloses wherein the steps of establishing to preserve tax-advantaged treatment of the participant's redemptions [Fig. 2 (220 & 270); C1 L5-L20; C4 L44-L47], and wherein the statute, regulation, or policy includes one or more of the provisions of 26 U.S.C. §§ 1 and 401 et seq., and 29 U.S.C. § 1001 et seq. and any other similar programs (tax code) [C1 L13-L33; C2 L44].

Re. Claim 44, Vitagliano discloses wherein, upon establishment, the loan fund is structured as a sub-custodian (assumed ...) [C2 L36-L49].

Re. Claim 46, Vitagliano discloses program means for causing the processor means to generate data for the benefit-plan computer system representing the current loan-fund balance for the benefit plan, and program means for causing the processor means to receive data from the benefit-plan computer system representing the limitations on the participant's redemptions [C2 L50-L68; C3 L22 to C4 L24; C4 L47-68].

Re. Claim 47, Vitagliano, explicitly, does not disclose means for causing the processor means to generate data representing a request for acceptance of funds into the loan fund from a funds-acceptance provider in response to receipt of data representing the participant's repayment of funds to the funds-acceptance provider. However, Norris discloses this step [Fig. 1; C2 L36-L68; C12 L35-L57] to repay credit obligation. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Vitagliano and add means for causing the

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processor means to generate data representing a request, as taught by Norris to allow the financial institutions to accept (approve and deposit) and arrangement fund transfer between the participants' accounts and financial institutions provided service

Re. Claim 48, Vitagliano discloses means for causing the processor means to receive data representing settlement requests from a settlement system that processes uses of an access vehicle, and wherein data representing requests to transfer funds from the loan fund to settle redemptions is generated in response to receipt of request data from the access-vehicle-settlement system [C1 L5-L11; C4 L47-L68].

Re. Claim 49, Vitagliano discloses means to receive data from an access-vehicle-settlement computer system representing at least one redemption by the participant made by a use of the access vehicle [C1 L5-L11; C4 L47-L68], and program means for causing the processor means to update data representing an LOC value in response to the received data by decreasing the LOC value by the total value of the redemptions that have not been repaid [Fig. 3; C4 L25-L58].

Re. Claim 50, Vitagliano discloses means for causing the processor means to receive data from the access-vehicle-settlement system representing a proposed redemption to be made by a participant's proposed use of the access vehicle [C1 L5-L11; C4 L47-L68], program means for causing the processor means to generate data to the access vehicle-settlement system representing an authorization of the proposed redemption

only if the proposed redemption is less than or equal to a line of credit (LOC) value [Fig. 3; C1 L5-L11; C4 L25-L58], and program means for causing the processor means to generate data to the access vehicle-settlement system representing a refusal of the proposed redemption only if the proposed redemption is greater than the LOC value [Fig. 3; C1 L5-L11; C4 L25-L58].

Re. Claim 51, Vitagliano discloses means for causing the processor means to generate data representing loan-fund statement [C3 L52-L68; C6 L10-L18]. Vitagliano, explicitly, does not disclose informing the participant of required repayment amounts and times. However, informing the participant of required repayment amounts and times are commonly will known to credit card holder. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify disclose of Vitagliano and add this step to alert the borrower of payment due.

Re. Claims 53-54, Vitagliano discloses participant's benefit-plan assets of accrued interest paid by the participant on redemptions from the loan fund, and participant's benefit-plan assets of accrued dividend funds earned on the loan fund and generating report [C2 L50-68; C3 L63 to C4 L5-L68]. Vitagliano, explicitly, does not disclose generate data representing a transfer. However, it is will known and common banking practice that accrued dividend and interest are posted to the accounts.

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It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify discloses of Vitagliano and add this step to assure the dividend and interest are posted to proper account for accuracy of account.

Re. Claim 55, Vitagliano discloses comprising updating the loan fund information in response to receipt of data from the investment-manager computer system representing posting of (i) interest paid by the participant on redemptions from the loan fund [C2 L50-68; C3 L63 to C4 L5-L68].

Re. Claim 56, Vitagliano, explicitly, does not disclose generate data representing a transfer. However, it is will known and common banking practice that accrued dividend and interest are posted to the accounts. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify discloses of Vitagliano and add this step to assure the dividend and interest are posted to proper account for accuracy of account.

Re. Claim 57, Vitagliano, explicitly, does not disclose upon request to the investment manager, transferring accrued dividend and interest funds from the loan fund to the benefit plan. However, it is will know and common banking practice that accrued dividend and interest are posted to the accounts to keep record of accurate account for future use. It would have been obvious to one of ordinary skill in the art at the time the

Applicant's invention was made to modify discloses of Vitagliano and add this step to assure the dividend and interest are posted to proper account for accuracy of account.

Response to Arguments

3. Applicant's arguments, see claims, filed 1/30/2004, with respect to Claim 30 and Claim 43 have been fully considered and are persuasive.

a) The Objection of Claim 30 has been withdrawn, since the claim is amended.

b). The Rejection of Claim 43 has been withdrawn because; Applicant's clarification is acceptable and made of record.

4. Applicant's arguments filed pending claims have been fully considered but they are not persuasive.

a). In regarding rejection under 35 U.S.C. § 101, the Applicant's argument is not persuasive, because:

Claims 31-44 and 57 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created

vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In re Toma at 857.

In Toma, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in State Street Bank & Trust Co. v. Signature Financial Group, Inc. never addressed this prong of the test. In State Street Bank & Trust Co., the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See State Street Bank & Trust Co. at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See State Street Bank & Trust Co. at 1377. Both of these

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analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, State Street abolished the Freeman-Walter-Abele test used in *Toma*. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in State Street (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, Claims 31-44 and 57 have no connection to the technological arts. None of the steps indicate any connection to a computer or technology. Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts; for example: "computer is used to calculate average ..."

b). In Regarding rejection In Regarding U.S.C 103(a)"

(i) Applicant's argument the Vitagliano does not teach "loan fund".

Applicant has over looked that Vitagliano discloses providing a pension account line of credit "LOC". It is well known that LOC is a loan fund by the issuer, where the participant can use the fund from the LOC established (issued) to him. Applicant's "loan fund" and Vitagliano's "LOC" have same

functions (see applicant's specification page 1, lines 11-13 and page 5 lines 19-28 and Vitagliano's Abstract, col. 1 L14 to col. 2 L49.)

(ii) In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, Examiner has provided the motivations to combine the references see the rejections.

Conclusion

5. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

6. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Applicant is required under 37 CFR ' 1.111 (c) to consider the references fully when responding to this action.

(Previously submitted) US Pat. 5,689,100 to Carrithers, November 18, 1997

"Debit card system and method for implementing incentive award program", this invention discloses system for implementing an incentive award program, which employs debit cards. It is another object of this invention to provide a system which implements an incentive award program which minimizes or eliminates the need for paperwork to support transactions by which participants obtain rewards, and track such said earnings, redemption and accounts.

(Previously submitted) US Pat. 4,346,442 to Musmanno, August 24, 1982

"Securities brokerage-cash management system", this invention discloses a financial business systems and, more specifically, to data processing methodology and apparatus for effecting an improved securities brokerage and cash management system, and to provide an improved brokerage/cash management system.

(New) US 5,87,845 to Grant et al, Mar. 2, 1999 "Pension planning and liquidity management system", this invention discloses a pension-based liquidity management data processing system that supports participant decision making and flexibility with respect to loans, contribution rates, and retirement spending, loan origination process, Loan Fund and the loan amount available to the participant to borrow.

(New) US 6,052,673 to Leon et al, Apr. 18, 2000 "Investment management", discloses data processing for novel form of relationship management links, supervises, and balances depositors, marketing agents, financial intermediaries, mortgage brokers, and borrowers in an inflation-adjusted financing program. Funds are deposited in participating financial institutions in return for certificates of deposit yielding a fixed rate of interest, plus principal growth at a yearly rate equal to that year's rate of growth in the Consumer Price Index-All Urban Consumers, All Items. Funds on deposit are loaned to borrower, either directly or through brokers, at a rate calculated by adding three components: a fixed debt service rate, a fixed constant interest rate, and an inflation factor interest rate which reflects the effects of inflation on the outstanding loan balance, lends funds through loan accounts and Loan Funds.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T Dass whose telephone number is 703-305-4694. The examiner can normally be reached on 8:00 AM to 4:50 PM.

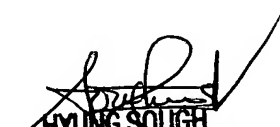
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S Souh can be reached on 703-308-0505. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Art Unit: 3628

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Harish T Dass
Examiner
Art Unit 3628

4/29/04


HYUNG SOUH
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600